



Committee On Finance

Max Baucus, Chairman

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Statement of Senator Max Baucus Senate Committee on Finance Trade Adjustment Assistance Improvement Act of 2002

Mr. President, I rise today to introduce the Trade Adjustment Assistance Improvement Act of 2002. You may ask why I am introducing this new bill now. After all, only about a month ago the Senate passed the Trade Act of 2002 – a bill which prominently features a landmark expansion and improvement of the current Trade Adjustment Assistance program.

We all know that work on that trade bill is not yet complete. I will continue to work diligently, however, to get that bill through the conference process and onto the President's desk just as soon as possible.

Indeed, I am frustrated that so much time has been lost on this bill. Five weeks in the House, as they worked through a very unusual process of appointing conferees. More time in the Senate while Republicans blocked efforts to get the bill to conference.

The TAA provisions in the trade bill, which passed the Senate back in May, are solid and important. They represent a huge improvement over current law. It is critical to remember, however, that they are the product of compromise – a compromise that was reached between Democrats and Republicans in the Senate and with the Administration.

In my view, the Senate-passed TAA reforms represent a good first step toward making TAA work for American workers. But we could do better. And we should do better. That is why I am here introducing new TAA legislation today. I think American workers should know that my commitment to improve TAA will not end after we pass the current trade bill. This new bill includes a number of provisions not included in H.R. 3009, the bill that passed the Senate. I would like to summarize a few of the most important new provisions now.

First, this bill makes training a full entitlement under TAA. Under current law, TAA income support is an individual entitlement, but the training entitlement is subject to a funding cap. When funds run out – as they frequently do – workers cannot get the training to which they are entitled. In some cases, this results in denial of income support

as well. While H.R. 3009 raises the funding cap in an attempt to eliminate funding shortfalls for TAA training, I think this bill takes an even better approach. After all, TAA is fundamentally a retraining program. It just makes sense to make the same commitment to fully fund training that we already do to income support.

Second, this bill broadens the scope of eligibility to additional groups of trade-impacted workers who were dropped from TAA in the compromise language passed by the Senate. This includes – most importantly – a much broader definition of secondary workers. In particular, this bill includes full TAA eligibility for downstream secondary workers, rather than limiting that eligibility to workers impacted by NAFTA.

It also includes coverage for workers who provide services under contract to trade-impacted firms and to truckers who may be adversely affected by the opening of the border to Mexican trucking services. In sum, this bill aims to make sure that every worker who loses his job as a result of international trade gets fair and equitable access to services under TAA.

Third, this bill creates an easy and efficient process for providing TAA benefits on an industry-wide rather than firm-by-firm basis. We all know that there are industries in this country – like softwood lumber, steel, and textiles, just to name a few – that are experiencing declining employment on a national basis as a direct consequence of international trade. The bill addresses the problem two ways. In cases where an industry has already demonstrated adverse trade effects in a section 201 or “safeguard” investigation, the President must provide industry-wide TAA certification as part of the remedy. It also requires the Secretary of Labor to use an industry-wide approach to certification in other industries when there is evidence that trade-related worker displacements are national in scope.

Finally, we restore the 75% health care tax credit for TAA participants, a figure that was reduced to 70% in the compromise trade bill. We also give workers additional choices for obtaining health care coverage. Without strong and meaningful improvements in the TAA program, I think we would not have seen the wide, bipartisan support for the overall trade bill that allowed it to pass the Senate by a vote of 66-30.

For that reason, I view the Senate-passed TAA bill as a floor for what can reasonably be agreed to in conference. I don’t think that something weaker is going to get us to a majority when the Senate considers the conference report.

As I mentioned before, many of the provisions included in this new bill were dropped from the trade bill that recently passed the Senate as part of a bipartisan compromise. Many – if not all – of them fall easily within the scope of the upcoming conference.

While I plan to vigorously defend the Senate bill in conference, I want to remind my colleagues in the House that the Senate bill already represents a bipartisan compromise – one worked out with the Administration. In passing the rule to go to

conference, my colleagues in the House have passed a bill that would completely gut the Senate-passed provisions.

For example:

- the restrictions on coverage for secondary workers are so strict as to effectively eliminate coverage;
- the bill would not cover shifts in production to non-NAFTA countries; and
- the health care benefits have been significantly weakened. They would cover many fewer workers, for a shorter period of time, with reduced benefits that may be of little use.

I would suggest to my colleagues in the House that efforts to weaken the Senate bill will be met with equally strong efforts to strengthen it. It should come as no surprise that – if my House colleagues persist in trying to weaken TAA – I will feel obligated to raise some of the provisions that were dropped in the Senate negotiations.

As I have said many times, I believe an improved TAA program is critical to regaining public confidence in a liberal trade policy for our country. In future, I intend to keep working toward the goal of improving TAA in every way available. I think this new bill points us in the right direction and I am pleased to be introducing it today.